GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:849
ANSWERED ON:19.07.2002
DIVIDEND ON UNIT SCHEME - 64
BRAHMANAND MANDAL;PRAVEEN RASHTRAPAL

Will the Minister of FINANCE be pleased to state:

(a) Whether the UTI have decided not to pay any dividend on Unit 64 for the year 2001-2002;

(b) If so, the reasons therefor;

(c) Whether the credibility of the UTI hasbeen reduced as compared to other companies the private sectors for not paying dividend, lowering interest rates in MIPs etc.

(d) If so, whether the Government propose to take over or privatize the UTI, and;

(e) if not, the reasons therefor?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANT G. GEETE)

(a)& (b):UTI Board of Trustees in its meeting held on21st June, 2002 decided not to declare a dividend for US-64 since the financial condition of the scheme does not permit income distribution for the year ending 30th June, 2002. Moreover, the scheme is NAV based w.e.f. 01.01.2002.

(c) Overall credibility of UTI has not been adverselyaffected because UTI has intimated that its NAV basedschemes have performed well in a very competitive market and inflows into these schemes reflect continuing investors support.

(d) & (e) Government announced a financial package for US-64 on 28.12.01. As a part of the financial package, UTI was asked to implement time-bound reforms based on the recommendations of the various Expert Committees including Tarapore Committee. Further, Expert Committees have recommended amendments to the UTI Act. In these regard, appropriate actions have been initiated by UTI and the Government.